



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2013-2014

April 02, 2014

Lynda Wright
Three Stages
91 South Harrison Street
East Orange, NJ 07017

Re: Applicant Name: THREE STAGES
Billed Entity Number: 16071173
Form 471 Application Number: 894602
Funding Request Number(s): 2431867, 2431869, 2434706
Your Correspondence Dated: March 21, 2014

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2013 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2431867, 2431869, 2434706
Decision on Appeal: **Denied**
Explanation:

- You filed an FCC Form 471 seeking funding for Internal Connections and Basic Maintenance of Internal Connections. You indicated on your FCC Form 471 that your discount eligibility is 90%. Your discount level is determined by the discount matrix. For Funding Year 2013, there are not sufficient funds to provide Priority Two discounts to applicants at your discount rate. Consequently, USAC denies your appeal.
- FCC rules require that where demand for funding exceeds available support, first priority be given to requests for Telecommunications Services and Internet Access. See 47 C.F.R. sec. 54.507(g)(1)(i). FCC rules further require that requests for Internal Connections be given second priority and be funded only if funds remain after support has been reserved for Telecommunications and

Internet Access through all discount levels in a funding year. *See* 47 C.F.R. sec. 54.507(g)(1)(ii). For schools and libraries that create consortia for the purposes of making funding requests and sharing products and/or services, the discount level is calculated by averaging the applicable discounts of the schools and libraries that are members of the consortia. *See* 47 C.F.R. sec. 54.505(b)(4). Because discount levels for consortia are determined in this manner, the discount levels for shared products and/or services requests are single discount level percentages rather than the broad discount level percentages for individual schools and libraries as determined by the matrix. *See* Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service, CC Docket Nos. 97-21 and 96-45, Fifth Order on Reconsideration in CC Docket No. 97-21, Eleventh Order on Reconsideration in CC Docket No. 96-45 and Further Notice of Proposed Rulemaking, 14 FCC Rcd 6033, FCC 99-49 (rel. May 28, 1999). Where demand for discounts for Internal Connections exceeds available support, FCC Rules require that funding be allocated to the most economically disadvantaged schools and libraries as determined by the matrix. *See* 47 C.F.R. secs. 54.505(c), 54.507(g)(1)(ii). Consequently, where demand for discounts for Internal Connections exceeds available support, FCC rules require that funding be awarded first to applicants eligible for a 90 percent discount level and then at each descending single discount percentage until funds are depleted. *See* 47 C.F.R. sec. 54.507(g)(1)(iii).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company